R J Reynolds Tobacco Company

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RSM's
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Subject: **Trade Marketing Vision and Core Principles**

Attached are Trade Marketing's visions and core principles along with objectives and strategies going forward.

Mike Buckler, Bruce Hatter, Ray Gomez and Tom Sullivan are working on these long term. Any thoughts/ideas you have relative to the attached documents should be passed on to our strategic planning group. We will also discuss in detail at our next RSM meeting.

Sincerely,

Dave

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c: Bruce Hatter

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Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000

TRADE MARKETING VISION & PRINCIPLES

VISION CRITERIA

MUST ARTICULATE HOW OUR TRADE CUSTOMERS (BOTH RETAIL AND WHOLESALE) DESCRIBE RJR AS A COMPANY AND HOW WE DO BUSINESS.

- **WHAT DO WE STAND FOR? . . . . "DESCRIBE R. J. REYNOLDS TOBACCO COMPANY TO ME."**

VISION STATEMENT

WE WILL BE RECOGNIZED AS THE BEST TOBACCO COMPANY BECAUSE OUR PEOPLE ARE VIEWED AS "INDISPENSABLE PARTNERS" DUE TO THEIR CATEGORY ADVISOR CAPABILITIES AND TOTAL BUSINESS EDUCATOR STRENGTHS. WE WILL:

- **HAVE SUPERIOR KNOWLEDGE OF INDUSTRY PROGRAMS, ISSUES AND MAJOR NON-TOBACCO CATEGORIES/ITEMS**
- **POSSESS THE MOST OBJECTIVITY**
- **CONSISTENTLY DRIVE FOR INNOVATION**
- **REPRESENT A PROFITABILITY BASED APPROACH FOR THE RETAILER, WHOLESALER AND RJR**

Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000

TRADE MARKETING VISION & PRINCIPLES

CORE OPERATING PRINCIPLES (CRITERIA FOR HOW WE WILL OPERATE)

- **EVERY PROGRAM WE IMPLEMENT WILL REINFORCE OUR COMPANY OBJECTIVE OF PROFITABLY BUILDING SHARE.**

- **ENSURE COMPLETE UNDERSTANDING AND PERSONAL COMMITMENT TO RJR STRATEGIC PLAN SO THAT RJR OBJECTIVES CAN BE FULLY INTEGRATED WITH OUR TRADE CUSTOMERS NEEDS.**

- **UNDERSTAND BOTH OUR TRADE CUSTOMERS AND CONSUMER NEEDS (DUE TO OUTSTANDING LISTENING / DISCOVERY PROCESS SKILLS), AND DELIVER PROGRAMS, PRODUCTS AND SERVICES THAT PROVIDE THOSE NEEDS WHILE ENSURING ALL AVAILABLE PROGRAMS, PRODUCTS AND SERVICES SUPPORT RJR OBJECTIVES.**

- **PRIORITIZE OUR TRADE CUSTOMERS, BOTH WHOLESALE AND RETAIL, BASED ON THEIR ABILITY AND WILLINGNESS TO HELP US MEET OUR CURRENT AND LONG-TERM OBJECTIVES, AND DEVELOP MUTUALLY BENEFICIAL RELATIONSHIPS IN THE SAME IDENTIFIED PRIORITY ORDER.**

- **DEVELOP ALL OUR PROGRAMS AND COMMUNICATIONS TO DELIVER TO THE BUSINESS EDUCATOR / ADVISOR ROLE TO INCLUDE CATEGORY MANAGEMENT, MARKETPLACE DYNAMICS AND EXTERNAL ISSUES.**

Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000

TRADE MARKETING VISION & PRINCIPLES

CORE OPERATING PRINCIPLES (CRITERIA FOR HOW WE WILL OPERATE) (CONT.)

- FULLY UNDERSTAND AND ANTICIPATE CHANGE TO BE ON THE LEADING EDGE OF NEW STRATEGIES, SERVICES, PROGRAMS AND TECHNOLOGY.
- WE WILL MEASURE OUR RESULTS AND ACTIVITIES TO JUSTIFY THE INVESTMENT AND JUDGE OUR SUCCESS BY OUR ABILITY TO SUPPORT MARKETING INITIATIVES AND ULTIMATELY RJR SHARE IMPROVEMENT.
- MAINTAIN A PRIORITY FOCUS ON OUR COMPETITION TO FULLY UNDERSTAND THEIR STRATEGIC DIRECTION AND HOW IT COULD IMPACT RJR PROGRAMS, OUR TRADE CUSTOMERS AND THE INDUSTRY.
- PROACTIVELY ADDRESS FUTURE MARKETPLACE DYNAMICS AND BUSINESS SHIFTS TO PRESERVE RJR'S ABILITY TO COMMUNICATE WITH CONSUMERS.
- WE WILL STRIVE TO HAVE 100% OF OUR KEY CUSTOMERS CONTACTING THEIR RJR REPRESENTATIVE PRIOR TO MAKING ANY DECISIONS RELATED TO OUR CATEGORY.
- UTILIZE FIELD SALES AND INTERNAL DEPARTMENT BACKGROUND AND EXPERTISE TO ACTIVELY PROVIDE PROGRAM INPUT AND PROGRAM DEVELOPMENT EVALUATION PRIOR TO TRADE IMPLEMENTATION.

Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000

TRADE MARKETING LONG-TERM OBJECTIVES

(UMBRELLA)

- PROVIDE TRADE PROGRAMS THAT, IN THE LONG-TERM, SHIFT RESOURCES FROM THE TRADE TO THE CONSUMER WHENEVER AND WHEREVER POSSIBLE.
- RECOGNIZE PARTNERS FOR BOTH THEIR LONG-TERM COMMITMENT TO THE CIGARETTE CATEGORY AND THEIR SERVICE / TECHNOLOGICAL CAPABILITIES BY DIFFERENTIATING LEVELS OF REWARD FROM RJR.
- PROVIDE ALTERNATIVE MARKETING, DISTRIBUTION, AND RETAIL VENUES PRIOR TO IMPLEMENTATION PHASE WITH THOROUGH UNDERSTANDING OF PROFITABILITY AND RISK FACTORS.
- IMPLEMENT TECHNOLOGICAL ADVANCES THAT PROVIDE MUTUAL BENEFIT TO RJR, THE SMOKER, AND THE TRADE (WHOLESALE / RETAIL).
- FULLY UNDERSTAND / COMMUNICATE THE EFFECTS OF FUTURE TRADE MARKETING PROGRAMS AND THE NEED TO INTEGRATE WITH KEY RJR DISCIPLINES (I.E., DISTRIBUTION, BRAND MARKETING, PERSONNEL, I/R, ETC.).

Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000

TRADE MARKETING LONG-TERM STRATEGIES

(UMBRELLA)

- RECOGNIZE MARKETPLACE TRADE CLASS DIFFERENCES IN THE DESIGN AND IMPLEMENTATION OF RJR TRADE PROGRAMS.
- IMPLEMENT RJR PROGRAMS THAT ADDRESS COMPETITIVE PROGRAM WEAKNESSES VERSUS PLAYING INTO COMPETITIVE STRENGTHS.
- REDEFINE TRADE PROGRAM EFFECTIVENESS MEASUREMENTS.
- FULLY INTEGRATE BRAND MARKETING INITIATIVES INTO TRADE MARKETING PROGRAMS.
- DEVELOP WHOLESALE TRADE PROGRAMS TO SUPPORT RETAIL STRATEGY.
- UTILIZE TECHNOLOGY TO INCREASE RJR EFFICIENCY WHILE REDIRECTING RESOURCES TO THE SMOKER.
- ACCEPTING PRUDENT RISK IN POSITIONING RJR AS THE INDUSTRY INNOVATOR IN TRADE PROGRAM DEVELOPMENT.

Source: https://www.industrydocuments.ucsf.edu/docs/pgdy0000